

CUMMINS INC
Form 10-Q
April 30, 2009
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the Quarterly Period Ended March 29, 2009
Commission File Number 1-4949

CUMMINS INC.

(Exact name of registrant as specified in its charter)

Indiana **35 0257090**
(State of Incorporation) (IRS Employer Identification No.)

500 Jackson Street
Box 3005
Columbus, Indiana 47202-3005
(Address of principal executive offices)

Telephone (812) 377-5000

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of March 29, 2009, there were 201,816,557 shares of common stock outstanding with a par value of \$2.50 per share.

Website Access to Company's Reports

Cummins maintains an internet website at www.cummins.com. Investors can obtain copies of our filings from this website free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to the Securities and Exchange Commission.

CUMMINS INC. AND SUBSIDIARIES

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PART I. FINANCIAL INFORMATION**ITEM 1. Condensed Financial Statements****CUMMINS INC. AND SUBSIDIARIES****CONDENSED CONSOLIDATED STATEMENTS OF INCOME****(Unaudited)**

In millions (except per share amounts)	Three months ended	
	March 29, 2009	March 30, 2008
NET SALES (a)	\$ 2,439	\$ 3,474
Cost of sales	1,994	2,767
GROSS MARGIN	445	707
OPERATING EXPENSES AND INCOME		
Selling, general and administrative expenses	300	351
Research, development and engineering expenses	85	103
Equity, royalty and interest income from investees (Note 5)	33	67
Restructuring charges (Note 6)	66	—
Other operating income (expense), net	2	(1)
OPERATING INCOME	29	319
Interest income	2	6
Interest expense	7	11
Other (expense) income, net	(3)	(10)
INCOME BEFORE INCOME TAXES	21	304
Income tax expense	7	102
NET INCOME	14	202
Less: net income attributable to noncontrolling interests	7	12
NET INCOME ATTRIBUTABLE TO CUMMINS INC.	\$ 7	\$ 190
EARNINGS PER COMMON SHARE ATTRIBUTABLE TO CUMMINS INC.		
Basic	\$ 0.04	\$ 0.97
Diluted	\$ 0.04	\$ 0.97

WEIGHTED AVERAGE SHARES OUTSTANDING

Basic	196.8	195.1
Dilutive effect of stock compensation awards	0.2	1.3
Diluted	197.0	196.4

CASH DIVIDENDS DECLARED PER COMMON SHARE

\$ 0.175	\$ 0.125
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(a) Includes sales to nonconsolidated equity investees of \$429 million and \$512 million for the three months ended March 29, 2009 and March 30, 2008, respectively.

The accompanying notes are an integral part of the condensed consolidated financial statements.

CUMMINS INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(Unaudited)

In millions (except par value)	March 29, 2009	December 31, 2008
ASSETS		
Current assets		
Cash and cash equivalents	\$ 353	